

## A word about your 2024 Assessed Value

The assessor is required by state law to appraise all real property at 100% of its true and fair market value and to statistically update assessed values annually according to the highest and best use of the property, unless the use of the property qualifies for a special exemption program and is approved for such use by either the assessor or the state department of revenue. Assessed values are affected by the local real estate market, and the real estate market is directly influenced by supply and demand. There is no limit on how much assessed property value can increase or decrease annually.

One thing to keep in mind as you look at the 2024 assessed value (for the 2025 tax year) on your Notice of Value is that our assessment process is always a year behind. The 2024 assessed value is as of January 1, 2024 and is based on sales from January 1, 2023, through December 1, 2023. We only include sales involving a warranty deed or a real estate contract that occurred during the twelve-month period in our sales analysis (WAC 458-53-080(1)). Sales or transfers of real property involving instruments other than a warranty deed or real estate contract are not considered in the analysis. For a complete list of sales exempted, please refer to WAC 458-53-080(2).

Although you may not have made any improvements to your home, your value continues to follow the market activity in your neighborhood. Every year, we compare sale prices to assessed values. If assessed values are significantly different from sale prices, we will apply a market adjustment factor to that neighborhood of properties (market area) in order to bring the assessed value closer to sales prices.

## Assessment Process

There are numerous things to keep in mind when understanding how the Assessor appraises property:

1. In Washington State, the Assessor is required to value property at 100% of true and fair market value.
2. There are three standard approaches to value:
  - Cost
  - Sales
  - Income (commercial property)
3. For residential property, we use the cost approach to establish a base construction value, and then we apply the sales approach to get to market value.

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4. We use a process called Mass Appraisal, which is different than your typical Fee Appraisal you would get when buying/selling/refinancing your property.
5. We cannot assign a market adjustment (increase or decrease) to your property that is different than all of the other properties in your market area.
6. Your market area may be as small as a group of homes in a specified area (subdivision, waterfront, etc.) or a much larger area, both defined by how the market is reacting to sales in that area.
7. You have one value on your property, but it is cumulative of the land component and any improvements (structures, commercial ag root stock, ag irrigation systems) on the property.
8. Physical inspections of property occur every 4 years, whereas statistical analysis of market conditions and the accompanying adjustments are done annually. All taxable properties in Chelan County have been revalued annually since 2010.
9. All sales used in the market analysis must be good, closed, arm's length transactions. Department of Revenue (DOR) stipulates the types of sales that can and cannot be used in the analysis. For example, a sale between relatives, bankruptcy, sheriff sales, tax deeds, gift deeds, Quit Claim deeds, forced sales, short sales, deeds in lieu of foreclosure, bank sales, sale or acquisition of exempt property, and classified land sales under RCW 84.34, cannot be used as they are not considered arm's length transactions. This is referred to as a DOR Ratio Code.
10. It is against the law to set an assessed value, independent of the rest of the market area, at its sale price. This is referred to as "shooting the sale"
11. The sales ratio is the Assessed Value/Sales Price.
12. Because Mass Appraisal works on the law of averages, if we set our goal ratio at 100%, we will have 50% of the properties over assessed, and 50% under assessed.
13. Chelan County prefers not to be on the high end of the range for over assessment, so our target ratio is between 85-90%.
14. The assessed value is always as of January 1 of the assessment year, which uses the prior year's sales. Example: 2022 assessments are based on 2021 sales and are for 2023 taxes.
15. A market adjustment is simply what the market will bear above and beyond the base construction cost of a new home. The raw cost of land plus new construction, or replacement cost (less depreciation) compared to the market value. The difference is the market adjustment, or influence. Think of this the same as the developer, or builder profit, but will fluctuate from year to year depending on the real estate market.
16. There are a few exceptions to the sales used in the market analysis. Even though we are not supposed to use foreclosed properties in our sales analysis, we realize that if there are a substantial number of foreclosures in one area, we cannot ignore the impact this has on the market. These foreclosed properties may be setting the new market value, but usually will recover within a year or so.

## Mass Appraisal Process

1. Land is valued as if vacant. We typically have enough sales to determine whether land values need to be adjusted. If we do not have enough sales in a given market area, we typically will not change the value, but will continue to monitor for the following year. The law allows a look-back up to 5 years for market trends. The sales volume in Chelan County has been high enough that there are only a couple of areas where trending has been used; Stehekin being one.
2. In determining the land value, we take the market area, draw out all of the vacant land sales that have not been “coded out” (identified with a DOR Ratio Code), and then compare those sales prices against those properties prior years assessed value. This creates a list of sales ratios (Assessed Value/Sale Price).
3. The list of sales ratios gives us a range. The real estate market is made up of buyers and sellers with individual ideas on what the true value of a property is (it’s worth exactly what someone is willing to pay for it), which can lead to different prices for two identical properties, side by side, in the same time frame. The market is driven by buyer’s preferences and desires, not by science.
4. With this list of sales ratios, we order them highest to lowest and make a market adjustment so that the average ratio of all sales is between 85-90%. Typically, this only pushes 1 or 2 of the numerous sales over 100%. (See #9 in prior section)
5. That market adjustment for land (in % form) is now added to all properties in that defined market area. All properties, regardless of whether they sold or not, receive the same adjustment.
6. Improvements/structures are first valued through the Marshall & Swift manual, which is a national cost manual used by almost all industries related to building and construction, appraisal, etc.
7. The cost approach basically builds and values the structure as a replacement cost new less depreciation (RCN-D). The initial construction quality is a basis for the replacement cost new. The depreciation is a combination of age and condition of the property. Both the quality and condition of the property are considered “appraiser opinion”. We also use local quality and condition checklists for consistency throughout the county.
8. Once we have the RCN-D, we consider that the base construction cost. However, a home does not sell for simply the cost of construction; therefore, we look at the sales in the market area for market adjustments.
9. We now look at improved sales in that same market area, and within that same group of sales. The exact same process is used for this analysis as was used for the land sales – ordering the ratios (assessed/sale) and determining the market adjustments. Any market adjustments at this point will be added or deducted from the Improvement value, since the land value has already been set to market.
10. We do not select a few comparables in an area to analyze and set values, we use ALL qualifying sales (see #9 in prior section). This is where fee appraisal work and our mass appraisal work diverge. We do not have the luxury of using exact (or very similar) homes across the county as comparables. We have to stay within the market area and do our analysis on a much larger scale. A

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fee appraiser will use comparables from all over, but then add or subtract adjustments differently on each property based on their current market area. Although our methods are different, unless we have incorrect details on the improvements, we are typically right on par with the appraisers and realtors market analysis.

### Applicable RCW's

**RCW 84.40.030, Basis of valuation, assessment, appraisal—One hundred percent of true and fair value—Exceptions—Leasehold estates—Real property—Appraisal—Comparable sales.**

(1) All property must be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.

(2) Taxable leasehold estates must be valued at such price as they would bring at a fair, voluntary sale for cash without any deductions for any indebtedness owed including rentals to be paid.

(3) The true and fair value of real property for taxation purposes (including property upon which there is a coal or other mine, or stone or other quarry) must be based upon the following criteria:

(a) Any sales of the property being appraised or similar properties with respect to sales made within the past five years. The appraisal must be consistent with the comprehensive land use plan, development regulations under chapter [36.70A](#) RCW, zoning, and any other governmental policies or practices in effect at the time of appraisal that affect the use of property, as well as physical and environmental influences. An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions. The appraisal must also take into account: (i) In the use of sales by real estate contract as similar sales, the extent, if any, to which the stated selling price has been increased by reason of the down payment, interest rate, or other financing terms; and (ii) the extent to which the sale of a similar property actually represents the general effective market demand for property of such type, in the geographical area in which such property is located. Sales involving deed releases or similar seller-developer financing arrangements may not be used as sales of similar property.

(b) In addition to sales as defined in subsection (3)(a) of this section, consideration may be given to cost, cost less depreciation, reconstruction cost less depreciation, or capitalization of income that would be derived from prudent use of the property, as limited by law or ordinance. Consideration should be given to any agreement, between an owner of rental housing and any government agency, that restricts rental income, appreciation, and liquidity; and to the impact of government restrictions on operating expenses and on ownership rights in general of such housing. In the case of property of a complex nature, or being used under terms of a franchise from a public agency, or operating as a public utility, or property not having a record of sale within five years and not having a significant number of sales of similar property in the general area, the provisions of this subsection must be the dominant factors in valuation. When provisions of this subsection are relied upon for establishing values the property owner must be advised upon request of the factors used in arriving at such value.

(c) In valuing any tract or parcel of real property, the true and fair value of the land, exclusive of structures thereon must be determined; also the true and fair value of structures thereon, but the

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valuation may not exceed the true and fair value of the total property as it exists. In valuing agricultural land, growing crops must be excluded. For purposes of this subsection (3)(c), "growing crops" does not include cannabis as defined under RCW [69.50.101](#).

### **RCW [84.41.041](#), Physical inspection and valuation of taxable property required—Adjustments during intervals based on statistical data.**

(1) Each county assessor must cause taxable real property characteristics to be reviewed in accordance with international association of assessing officers standards for physical inspection and valued at least once every six years in accordance with RCW [84.41.030](#), and in accordance with a plan filed with and approved by the department of revenue. Such revaluation plan must provide that all taxable real property within a county must be revalued and these newly determined values placed on the assessment rolls each year. Property must be valued at one hundred percent of its true and fair value and assessed on the same basis, in accordance with RCW [84.40.030](#), unless specifically provided otherwise by law. During the intervals between each physical inspection of real property, the valuation of such property must be adjusted to its current true and fair value, such adjustments to be made once each year and to be based upon appropriate statistical data.

(2) The assessor may require property owners to submit pertinent data respecting taxable property in their control including data respecting any sale or purchase of said property within the past five years, the cost and characteristics of any improvement on the property and other facts necessary for appraisal of the property.

### **WAC 458-07-010, Valuation and revaluation of real property—Introduction.**

The Washington state Constitution requires that all taxes be uniform upon the same class of property within the territorial limits of the authority levying the tax. In order to comply with this constitutional mandate and ensure that all taxes are uniform, all real property must be valued in a manner consistent with this principle of uniformity. Also, to comply with statutory and case law, the county assessor must value all taxable real property in the county on a regular, systematic, and continuous basis. All taxable real property within a county must be valued or revalued annually, and each county assessor must review all taxable real property characteristics in accordance with the International Association of Assessing Officers' standards for physical inspections. All taxable real property within a county must also be physically inspected at least once every six years, per RCW [84.41.030](#). The assessor must adhere to a revaluation plan that will ensure equality and uniformity in the valuation of real property, and must use proper appraisal methods. The administrative rules in this chapter describe and explain the processes to be used by the county assessor in valuing and revaluing real property for purposes of taxation.

### **WAC 458-07-015, Revaluation of real property.**

(1) **Appropriate statistical data defined.** The assessor must revalue real property at its current true and fair value using appropriate statistical data. RCW [84.41.041](#). For purposes of this chapter, "appropriate statistical data" means the data required to accurately adjust real property values and

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includes, but is not limited to, data reflecting costs of new construction and real property market trends.

(2) **Comparable sales data.** In gathering appropriate statistical data and determining real property market trends, the assessor must consider current sales data. "Current sales data" means sales of real property that occurred within the past five years of the date of appraisal and may include sales that occur in the assessment year. To the extent feasible, and in accordance with generally accepted appraisal practices, the assessor shall compile the statistical data into categories of comparable properties. Comparability is most often determined by similar use and location and may be based upon the following use classifications:

- (a) Single family residential;
- (b) Residential with from two to four units;
- (c) Residential with more than four units;
- (d) Residential hotels, condominiums;
- (e) Hotels and motels;
- (f) Vacation homes and cabins;
- (g) Retail trade;
- (h) Warehousing;
- (i) Office and professional service;
- (j) Commercial other than listed;
- (k) Manufacturing;
- (l) Agricultural; and
- (m) Other classifications as necessary.

(3) **Appraisal processes.** Appropriate statistical data shall be applied to revalue real property to current true and fair value using one or more of the following processes:

- (a) Multiple or linear regression;
- (b) Sales ratios;
- (c) Physical inspection; or
- (d) Any other appropriate statistical method that is recognized and accepted with respect to the appraisal of real property for purposes of taxation.

(4) **Physical inspection cycles.**

(a) For purposes of this chapter, "physical inspection" means, at a minimum, an exterior observation of the property to determine whether there have been any changes in the physical characteristics that affect value. The property improvement record must be appropriately documented in accordance with the findings of the physical inspection. The assessor must physically inspect all taxable real property at least once within a six-year time period, and review all taxable real property characteristics in accordance with the International Association of Assessing Officers' physical inspection standards.

(b) Physical inspection of all the property in the county shall be accomplished on a proportional basis in cycle, with approximately equal portions of taxable property of the county inspected each year. Physical inspections of properties outside of the areas scheduled for physical inspection under the plan filed with the department, in accordance with WAC [458-07-025](#) Revaluation of real property—Plan submitted to department of revenue, may be conducted for purposes of validating sales, reconciling inconsistent valuation results, calibrating statistical models, valuing unique or

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nonhomogeneous properties, administering appeals or taxpayer reviews, documenting digital images, or for other purposes as necessary to maintain accurate property characteristics and uniform assessment practices. All properties shall be placed on the assessment rolls at current true and fair value as of January 1st of the assessment year.

(c) In any year, when the area of the county being physically inspected is not completed in that year, the portion remaining must be completed before beginning the physical inspection of another area in the succeeding year. All areas of the county must be physically inspected within the cycle established in the revaluation plan filed with the department.

(5) **Revaluation after a value is certified for the current year.** In certain circumstances the assessor is authorized to revalue real property, using appraisal judgment, after a value is certified for the current year. These revaluations must not be arbitrary or capricious, nor violate the equal protection clauses of the federal and state Constitutions, nor the uniformity clause of the state Constitution. The assessor may disregard the certified value for the current year and change a property valuation, as appropriate, in the following situations:

(a) If requested by a property owner, when a notice of decision pertaining to the value of real property is received under RCW [36.70B.130](#) Notice of decision—Distribution; local project review, chapter [35.22](#) RCW First-class cities, chapter [35.63](#) RCW Planning commissions, chapter [35A.63](#) RCW Planning and zoning in code cities, or chapter [36.70](#) RCW Planning Enabling Act;

(b) When the owner or person responsible for payment of taxes on any real property petitions the assessor for a reduction in the assessed value in accordance with RCW [84.40.039](#), within three years of adoption of a restriction by a government entity;

(c) When there has been a "definitive change of land use designation" by an authorized land use authority, and the revaluation is in accordance with RCW [84.48.065](#);

(d) When a bona fide mistake has been made by the assessor in a prior valuation made within the current valuation cycle. The change in property valuation is not retroactive to the prior year;

(e) When property has been destroyed, in whole or in part, and is entitled to a reduction in value in accordance with chapter [84.70](#) RCW; or

(f) When property has been subdivided or merged.

(6) **Change of value notice.** Revaluation, or change of value notices, must be mailed or transmitted electronically by the assessor to the taxpayer when there is any change in the assessed value of real property, not later than thirty days after an appraisal or adjustment in value.

**WAC 458-07-030, True and fair value—Defined—Criteria—Highest and best use—Data from property owner.**

(1) **True and fair value—Defined.** All property must be valued and assessed at one hundred percent of true and fair value unless otherwise provided by law. "True and fair value" means market value and is the amount of money a buyer of property willing but not obligated to buy would pay a seller of property willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might in reason be applied.

(2) **True and fair value—Criteria.** In determining true and fair value, the assessor may use the sales (market data) approach, the cost approach, or the income approach, or a combination of the three approaches to value. The provisions of (b) and (c) of this subsection, the cost and income approaches, respectively, shall be the dominant factors considered in determining true and fair value

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in cases of property of a complex nature, or property being used under terms of a franchise granted by a public agency, or property being operated as a public utility, or property not having a record of sale within five years and not having a significant number of sales of comparable property in the general area. When the cost or income approach is used, the assessor shall provide the property owner, upon request, with the factors used in arriving at the value determined, subject to any lawful restrictions on the disclosure of confidential or privileged tax information.

(a) **Sales.** Sales of the property being appraised or sales of comparable properties that occurred within five years of January 1st of the assessment year are valid indicators of true and fair value. In valuing property, the following shall be considered:

(i) Any governmental policies or practices, regulations or restrictions in effect at the time of appraisal that affect the use of property, including a comprehensive land use plan, developmental regulations under the Growth Management Act (chapter [36.70A](#) RCW), and zoning ordinances. No appraisal may assume a land usage or highest and best use not permitted under existing zoning or land use planning ordinances or statutes or other government restrictions, unless such usage is otherwise allowed by law;

(ii) Physical and environmental influences that affect the use of the property;

(iii) When a sale involves a real estate contract, the extent, if any, to which the down payment, interest rate, or other financing terms may have increased the selling price;

(iv) The extent to which the sale of a comparable property actually represents the general effective market demand for property of that type, in the geographical area in which the property is located; and

(v) Sales involving deed releases or similar seller-developer financing arrangements shall not be used as sales of comparable property in determining value.

(b) **Cost.** In determining true and fair value, consideration may be given to cost, cost less depreciation, or reconstruction cost less depreciation.

(c) **Income.** In determining true and fair value, consideration may be given to the capitalization of income that would be derived from prudent use of the property, as limited by law or ordinance. Consideration should be given to any agreement between an owner of rental housing and any government agency that restricts rental income, appreciation, and liquidity and to the impact of government restrictions on operating expenses and on ownership rights in general of such housing.

(d) **Manuals.** Appraisal manuals or guides published or approved by the department of revenue shall be considered in conjunction with the three approaches to value. The data contained in these manuals or guides must be analyzed and adjusted by the assessor to consider time, location, and any other applicable factors to properly reflect market value in the county.

(3) **True and fair value—Highest and best use.** Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.



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(4) **Valuation of land and improvements.** In valuing any lot, tract, or parcel of real property, the assessor must determine the true and fair value of the land, excluding the value of any structures on the land and excluding the value of any growing crops. The assessor must also determine the true and fair value of any structure on the land. The total value of the land and the structures must not exceed one hundred percent of the true and fair value of the total property as it exists at the time of appraisal.

(5) **Valuation data from property owners.** The assessor may require property owners to submit pertinent data regarding property in their control, including sales data, costs and characteristics of improvements, and other facts necessary for appraisal of the property.

### WAC 458-53-080, Real property sales sample selection.

(1) **Sales included.** Except as provided in subsection (2) of this section, the sales study shall consider all transactions involving a warranty deed or a real estate contract that occurred during the twelve-month period described in WAC [458-53-070](#)(2). Sales of mobile homes located on land owned by the owner of the mobile home shall also be included in the real property ratio study when the mobile home meets the definition of real property as defined in RCW [84.04.090](#). Sales of mobile homes on leased land should be included in the invalid sales report utilizing a code 27 and the comment "MH on leased land." In the case of a county generated sales study (see WAC [458-53-100](#)), the county may use a representative sample of all such transactions with the prior written approval of the department.

(2) **Sales excluded.** Sales or transfers of real property involving instruments other than a warranty deed or real estate contract shall not be considered in the sales study. The following types of sales transactions are examples of sales to be excluded from the sales study, regardless of the type of sale instrument used. Differences from the numerical coding designations set forth in this example may be used by individual counties with prior approval from the department.

#### NUMERICAL

CODE	TYPE OF TRANSACTION
1	Family - A sale between relatives.
2	Transfers within a corporation by its affiliates or subsidiaries.
3	Administrator, guardian or executor of an estate.
4	Receiver or trustee in bankruptcy or equity.
5	Sheriff or bailee.
6	Tax deed.
7	Properties exempt from taxation (nonprofit, government, etc.).
8	Individual sales with assessment-to-sales ratios of less than twenty-five percent or greater than one hundred seventy-five percent except as provided in WAC <a href="#">458-53-070</a> .
9	Quitclaim deed.

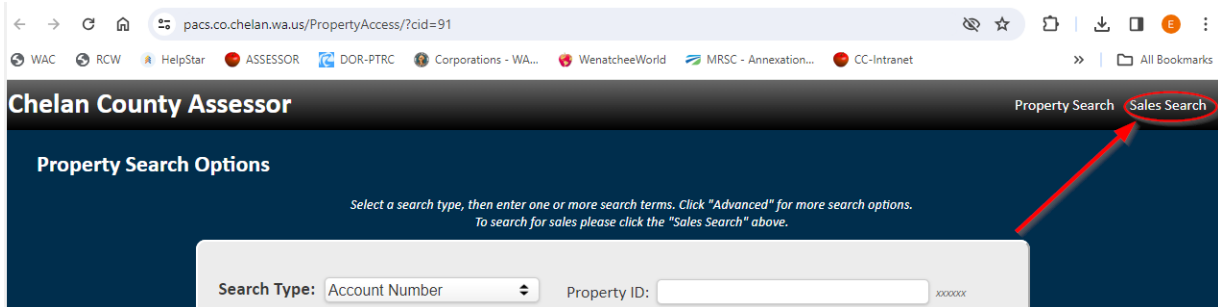
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- 10 Gift deed; love and affection deed.
- 11 Seller's or purchaser's assignment of contract or deed - Transfer of interest.
- 12 Correction deed.
- 13 Trade - Exchange of property between same parties.
- 14 Deeds involving partial interest in property, such as one-third or one-half interest. (If transfer involves total interest i.e., one hundred percent of the property, sale is valid.)
- 15 Forced sales - Transfers in lieu of imminent foreclosure, condemnation or liquidation.
- 16 Easement or right of way.
- 17 Deed in fulfillment of contract.
- 18 Property physically improved after sale.
- 19 Timber or forest land.
- 20 Bare lots platted within the twelve-month time period described in WAC **458-53-070**(2), with less than twenty percent sold.
- 21 Plottage - When a larger unit of land is being assembled and an adjoining property is sold at a price significantly different from the price of property of a similar type.
- 22 \$1,000 sale or under.
- 23 Lease - Assignment, option, leasehold.
- 24 Classified as "current use" under chapter **84.34** RCW as of date of sale.
- 25 Change of use where rezoning takes place.
- 26 Current year segregations that have not been appraised.
- 27 Other - Necessary to identify reason.

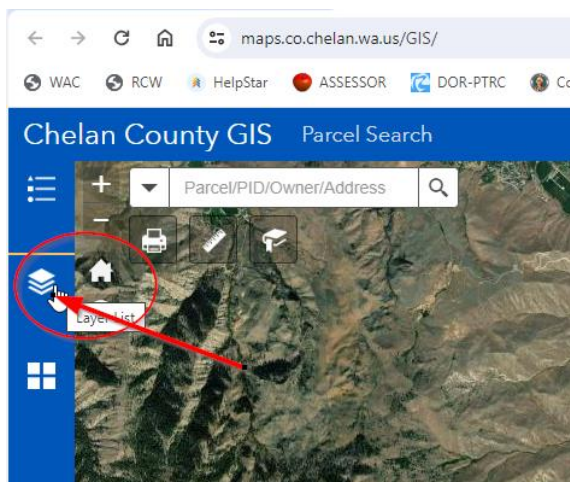
# How to Look Up Sales Data

Did you know that all of our sale data is available on our website ([www.co.chelan.wa.us/assessor](http://www.co.chelan.wa.us/assessor)) going back to June of 2012? There are three ways to access the data:

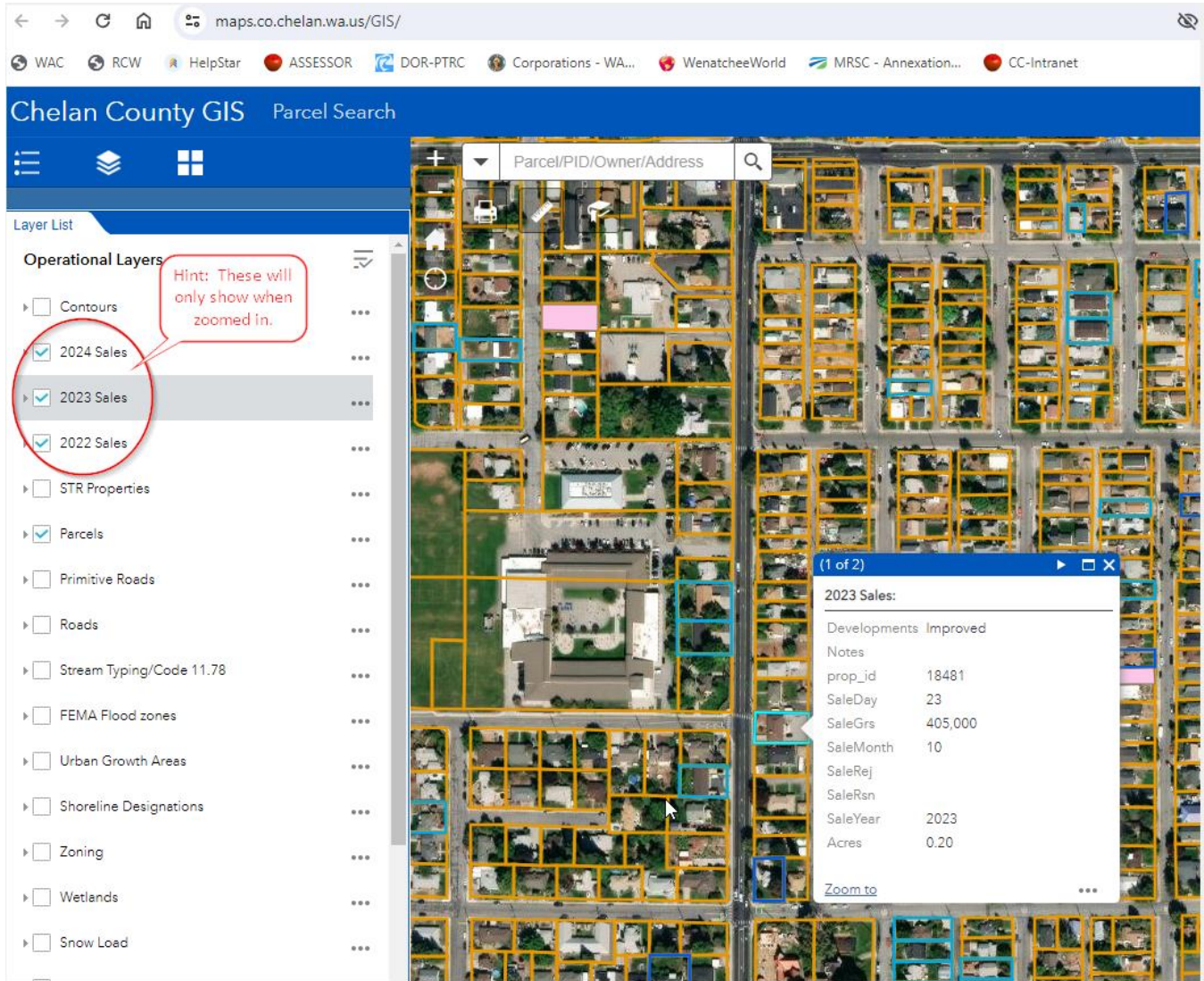
1. **Monthly sales reports** (present-6/2012) are available as downloadable Microsoft Excel spreadsheets (.xls files) under the Monthly Sales Report tab on the Assessor home page.
2. Through our **Parcel and Sales Search** application, you can customize our sale data based on the criteria you are looking for. To access the parcel and sale search, click on the picture of the red cabin on our home page. Agree to the disclaimer to continue, and then select “Sales Search” on the top right corner of the Property Search Options window. Enter your criteria and click on the search button.



3. Through our **Interactive Map** application, you can view our sales data on the Chelan County GIS map. To access the interactive map, click on the picture of the white lap top on our home page, which will take you to the information page on GIS-Mapping. Click on the Interactive Map link, and then Continue on the GIS Disclaimer window to access the interactive map. Once on the map, you can search by navigating the map to the area you are interested in or using the search bar in the left-hand corner to search by parcel number (aka geoid), PID, owner, or address. To add the sales data to the map, click on the layer icon on the left-hand side and select the sales data from the list. We have 2022–2024 sales available on the interactive map.



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**Still have questions? Contact us at:**  
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